

## Chapter 3

# The Role of the General Accounting Office

The General Accounting Office did not become involved in the 1988 process until after that Commission published its report. Then Congress called upon GAO to examine the Commission's methodology, findings, and recommendations.

GAO's recommendations addressed ways to ensure data accuracy, which cost factors and economic impacts should be considered, how to develop specific criteria, and how to measure employment impacts.

To ensure GAO's role during the 1991 Commission's analysis, Congress gave GAO a clear role in the 1991 process.

Under Section 2903 (d)(5) of Title XXIX, Public Law 101-510, Congress called on the Comptroller General to do two things: assist the Commission in its review of the Secretary of Defense's recommendations and transmit an independent report to Congress and the Commission containing GAO's analysis of DoD's proposals and processes.

### ***ASSISTANCE TO THE COMMISSION***

At least one GAO professional served on each of the Commission's Army, Navy, and Air Force review-and-analysis teams. These individuals were fully integrated into all review-and-analysis efforts.

GAO also helped the Commission's researchers verify the data used by the services. GAO field personnel visited some 39 bases to gather firsthand information and verify data selected by the Commission.

### ***THE GAO REPORT***

GAO released its report, titled *Observations on the Analyses Supporting Proposed Closures and Realignments*, on May 16, 1991. The Assistant Comptroller General testified before the Commission on May 17. GAO's findings paralleled much of the Commission staff's work up to that time,

but provided detail – especially on costs and savings.

GAO found that the Army and Air Force could document their use of the force-structure plan and the military-value criteria. While there were differences in the way the services developed military-value rankings, these differences were insignificant. Therefore, GAO concluded in its report, the recommendations by the Army and Air Force were “adequately supported.”

However, GAO concluded that the Navy did not offer enough documentation to prove whether or not its process followed the force structure and the selection criteria, preventing GAO from evaluating specific Navy recommendations. GAO analyzed the Navy’s ship-berthing capacity to decide how many naval stations the Navy needs to support its fleet. If only the recommended bases are closed, concluded GAO, the Navy would still have significant excess ship-berthing capacity. *GAO*

GAO did not evaluate the Navy’s methodology for air stations, shipyards, or labs.

GAO conducted a “sensitivity check” on DoD’s estimation of the number of years it would take to recover closing costs. This entailed projecting 50 percent and 100 percent increases in one-time costs. While the payback periods for many of DoD’s recommendations changed little, there were some closure or realignment proposals where a 50 percent increase in one-time costs would increase the number of years for payback from 4 to 100 years.

GAO also discovered inconsistencies in service costs, savings estimates, and payback calculations. Despite DoD guidance to the contrary, the Army, Navy, and Air Force used budget data for other than 1991 dollars as their baselines. The results of these inconsistencies were overstatements of estimated annual savings and a shortening of the payback period for several closures.